The Small Business Administration MicroLoan Program, administered by the Salem County Improvement Authority, is a cooperative business program that directly benefits start-up entrepreneurs and business owners.

Eligibility Requirements

Under the MicroLoan Program, the Small Business Administration (SBA) makes funds available to a Cooperative Business Assistance Corporation (CBAC). Any type of for-profit small business can borrow up to \$50,000 directly from the CABC, or up to \$105,000 in partnership with other lenders.

Terms Of The Loan

MicroLoans from \$1,000 to \$50,000 are available for new enterprises and existing businesses. These loans are generally for terms of three months to five years. Under this program, CBAC offers favorable interest rates.

Approved Uses Of The MicroLoan

The loans may only be used for working capital, or to purchase equipment, inventory, supplies, machinery, furniture, or fixtures.

MicroLoan Restrictions

These funds may not be used to buy real estate, or provide for down payments on equipment or vehicles otherwise leased or financed by others. With limited exceptions, the funds can not be used to refinance existing debts.

Collateral Requirements

In most cases, equipment, contracts, inventory, or other property act as partial collateral for MicroLoans. The CBAC also requires personal guaranties.

Additional Considerations

New business owners are required to complete entrepreneurial training and write a business plan. All loans are personally guaranteed by the owners, and CBAC takes the best available collateral.

